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Lana Gordon, Secretary Sam Brownback, Governor

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\$80,000 Civil Penalty Collected for Work Comp Fraud

TOPEKA, Kan. - The Kansas Department of Labor (KDOL) received settlement in the case of KDOL versus Labor Pros, LLC., Elite Employment Group, Inc. and Gregory D. Van Etten, after 10 months of investigation. This dispute involved the failure to secure payment of workers compensation insurance, the failure to file accident reports in a timely manner with the division, the failure to pay workers compensation benefits when due and the false or misleading statements made, without admitting or denying any violation and to avoid any further administrative hearings.

Ezra Ginzburg, Assistant Attorney General, KDOL, was the lead attorney on the case along with Jon Flippin, Special Investigator. The \$80,000 civil penalty collected will be distributed per the settlement agreement for the violations of K.S.A. 44-532.

Workers Compensation fraud includes:

- Making false or misleading statements to obtain benefits
- Presenting a false certificate of insurance
- Submitting a charge for health care not furnished
- Employer failure to secure workers compensation insurance
- Repeated failure by employer to timely file accident reports

Employers, employees and taxpayers pay the cost of fraud in lost jobs, lost profit, lower wages and higher cost for goods and services. Secretary Gordon's priority is to crack down on those who commit fraud.

Five hundred ninety-four workers compensation fraud and abuse referrals were received and investigated by the KDOL Workers Compensation Fraud Unit in calendar year (January – December 2015). In addition to the Labor Pros, Inc. case, 68 fraud and abuse administrative cases were prosecuted and one criminal case collected more than \$301,593 in fraud and abuse fines and restitution.

To report Workers Compensation or Unemployment Fraud go to https://www.dol.ks.gov/UI/Fraud.aspx.

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The Kansas Department of Labor assists in the prevention of economic insecurity through unemployment insurance and workers compensation, by providing a fair and efficient venue to exercise employer and employee rights, and by helping employers promote a safe work environment for their employees. This facilitates compliance with labor laws while enabling advancement of the economic well-being of the citizens of Kansas.

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